

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: Chapter 11

W.R. GRACE & Co., et al., Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

TWENTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002)

Name of Applicant:	FTI Policano & Manzo
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 21, 2001
Period for which compensation and reimbursement is sought:	December 1, 2002 through December 31, 2002
Amount of Compensation sought as actual, reasonable and necessary (80% of \$42,335.00):	\$33,868.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$ 34.69

This is an: X interim _____ final application

The total time expended for fee application preparation and fee audit activities is approximately 13.1 hours and corresponding compensation requested is approximately \$2,368.00 (80% of the fees incurred of \$2,960.00). The time expended included approximately 12.9 hours spent on preparation of the twentieth monthly interim fee application and approximately 0.2 hours preparing for the fee hearing in December 2002.

This is the twenty-first application filed. Disclosure for prior periods and current period is as follows:

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(FOR THE PERIOD FROM DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002)**

**ATTACHMENT A
TO FEE APPLICATION**

Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
June 28, 2001	April 20, 2001 through April 30, 2001	\$16,008.00	\$667.95	\$12,806.40 (80% of requested fees)	\$667.95
June 28, 2001	May 1, 2001 through May 31, 2001	\$104,081.50	\$2,513.09	\$83,265.20 (80% of requested fees)	\$2,513.09
July 28, 2001	June 1, 2001 through June 30, 2001	\$75,916.00	\$3,913.13	\$60,732.80 (80% of requested fees)	\$3,913.13
August 28, 2001	July 1, 2001 through July 31, 2001	\$71,989.50	\$3,871.54	\$57,591.60 (80% of requested fees)	\$3,871.54
September 28, 2001	August 1, 2001 through August 31, 2001	\$70,425.00	\$1,092.45	\$56,340.00 (80% of requested fees)	\$1,092.45
October 30, 2001	September 1, 2001 through September 30, 2001	\$104,816.50	\$3,028.40	\$83,853.20 (80% of requested fees)	\$3,028.40
November 29, 2001	October 1, 2001 through October 31, 2001	\$42,643.00	\$3,670.86	\$34,114.40 (80% of requested fees)	\$3,670.86
December 28, 2001	November 1, 2001 through November 30, 2001	\$50,048.50	\$1,864.72	\$40,038.80 (80% of requested fees)	\$1,864.72
January 28, 2002	December 1, 2001 through December 31, 2001	\$53,986.50	\$1,005.29	\$43,189.20 (80% of requested fees)	\$1,005.29
February 28, 2002	January 1, 2002 through January 31, 2002	\$63,207.00	\$2,549.70	\$50,565.60 (80% of requested fees)	\$2,549.70
March 28, 2002	February 1, 2002 through February 28, 2002	\$27,249.50	\$1,874.43	\$21,799.60 (80% of requested fees)	\$1,874.43

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**ATTACHMENT A
TO FEE APPLICATION**

Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
April 28, 2002	March 1, 2002 through March 31, 2002	\$106,680.50	\$1,919.09	\$85,344.40 (80% of requested fees)	\$1,919.09
May 29, 2002	April 1, 2002 through April 30, 2002	\$102,314.00	\$4,657.40	\$81,851.20 (80% of requested fees)	\$4,657.40
June 28, 2002	May 1, 2002 through May 31, 2002	\$50,027.00	\$2,207.14	\$40,021.60 (80% of requested fees)	\$2,207.14
July 29, 2002	June 1, 2002 through June 30, 2002	\$43,359.00	\$1,381.59	\$34,687.20 (80% of requested fees)	\$1,381.59
August 31, 2002	July 1, 2002 through July 31, 2002	\$23,895.50	\$473.91	\$19,116.40 (80% of requested fees)	\$473.91
September 30, 2002	August 1, 2002 through August 31, 2002	\$76,092.50	\$1,264.23	\$60,874.00 (80% of requested fees)	\$1,264.23
October 31, 2002	September 1, 2002 through September 30, 2002	\$45,079.00	\$43.14	\$36,063.20 (80% of requested fees)	\$43.14
November 30, 2002	October 1, 2002 through October 31, 2002	\$46,633.50	\$256.76	\$37,306.80 (80% of requested fees)	\$256.76
December 31, 2002	November 1, 2002 through November 30, 2002	\$44,622.50	\$824.96	\$35,698.00 (80% of requested fees)	\$824.96
January 31, 2003	December 1, 2002 through December 31, 2002	\$42,335.00	\$34.69	\$33,868.00 (80% of requested fees)	\$34.69

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**ATTACHMENT B
TO FEE APPLICATION**

Name of Professional Person	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
E. Ordway	\$550	1.9	\$1,045.00
S. Cunningham	\$525	17.8	\$9,345.00
C. Whitney	\$375	33.0	\$12,375.00
L. Hamilton	\$350	46.0	\$16,100.00
J. Schwendeman	\$325	2.0	\$650.00
M. Hakoun	\$150	13.3	\$1,995.00
N. Backer	\$ 75	11.0	\$825.00
Grand Total:		125.0	\$42,335.00
Blended Rate:	\$339		

COMPENSATION BY PROJECT CATEGORY

Task Code	Project Category	Total Hours	Total Fees
2	Business Analysis	26.7	\$9,712.50
3	Corporate Finance	0.0	\$0.00
4	Data Analysis	74.0	\$26,427.50
8	Case Administration	5.6	\$420.00
9	Claims Analysis (Asbestos)	0.0	\$0.00
11	Creditors Committee	5.6	\$2,815.00
12	Employee Benefits/Pension	0.0	\$0.00
16	Fee Applications, Applicant	13.1	\$2,960.00
	Total	125.00	\$42,335.00

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EXPENSE SUMMARY

Expense Category	Total Expenses
Copies	\$0.00
Facsimiles	\$0.00
Telecommunications	\$0.00
Postage, Express Delivery	\$6.25
Travel Expenses	\$0.00
Tolling Charges	\$28.44
Total	\$34.69

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W.R. GRACE & CO. ET. AL.
Summary of Fees by Professional
For the period December 1, 2002 through December 31, 2002

	Total <u>Hours</u>	Billing <u>Rate</u>	<u>Amount</u>
E. Ordway	1.9	\$ 550	\$ 1,045.00
S. Cunningham	17.8	\$ 525	9,345.00
C. Whitney	33.0	\$ 375	12,375.00
L. Hamilton	46.0	\$ 350	16,100.00
J. Schwendeman	2.0	\$ 325	650.00
M. Hakoun	13.3	\$ 150	1,995.00
N. Backer	11.0	\$ 75	825.00
TOTAL	125.0	\$ 42,335.00	

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W.R. GRACE & CO. ET AL.

Summary of Hours by Category

For the period December 1, 2002 through December 31, 2002

Rate	Fees Per Professional	Business Analysis	Corporate Finance	Data Analysis	Case Administration	Claims Analysis/Objections/ Administration (asbestos)	Creditors Committee	Creditors Benefits/ Pension	Employee Benefits/ Pension	Fee Applications, Applicant	TOTAL
\$ 550	\$ 1,045.00	E. Ordway		\$ 605.00	\$ -	\$ -	\$ 330.00	\$ -	\$ 110.00	\$ 1,045.00	
\$ 525	\$ 9,345.00	S. Cunningham		\$ 6,037.50	\$ -	\$ -	\$ 2,205.00	\$ -	\$ -	\$ 9,345.00	
\$ 375	\$ 12,375.00	C. Whinney		\$ 12,375.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,375.00	
\$ 350	\$ 16,100.00	L. Hamilton		\$ 4,725.00	\$ -	\$ -	\$ 455.00	\$ -	\$ 2,310.00	\$ 16,100.00	
\$ 325	\$ 650.00	J. Schwendeman		\$ 650.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650.00	
\$ 150	\$ 1,995.00	M. Hakoun		\$ 1,860.00	\$ -	\$ -	\$ -	\$ -	\$ 135.00	\$ 1,995.00	
\$ 75	\$ 825.00	N. Backer		\$ -	\$ 420.00	\$ -	\$ -	\$ -	\$ 405.00	\$ 825.00	
	\$ 42,335.00	Totals		\$ 26,252.50	\$ 420.00	\$ -	\$ 2,990.00	\$ -	\$ 2,960.00	\$ 42,335.00	

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W.R. GRACE & CO. ET AL.

Summary of Hours by Category

For the period December 1, 2002 through December 31, 2003

		Fees Per Professional										
		Rate	Task Code	2	3	4	8	9	11	12	16	TOTAL
Business Analysis	Corporate Finance		Data Analysis		Case Administration		Claims Administration		Creditors Committee		Employee Benefits/Pension	Fee Applications, Applicant
\$550	\$ 1,045.00	E. Ordway	0.0	0.0	1.1	0.0	0.0	0.0	0.6	0.0	0.2	1.9
\$525	\$ 9,345.00	S. Cunningham	2.1	0.0	11.5	0.0	0.0	0.0	4.2	0.0	0.0	17.8
\$375	\$ 12,375.00	C. Whitney	0.0	0.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0
\$350	\$ 16,100.00	L. Hamilton	24.6	0.0	13.5	0.0	0.0	0.0	1.3	0.0	6.6	46.0
\$325	\$ 650.00	J. Schwendeman	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
\$150	\$ 1,995.00	M. Hakoun	0.0	0.0	12.4	0.0	0.0	0.0	0.0	0.0	0.9	13.3
\$75	\$ 825.00	N. Backer	0.0	0.0	0.0	5.6	0.0	0.0	0.0	0.0	5.4	11.0
\$ 42,335.00		Totals	26.7	0.0	73.5	5.6	0.0	6.1	0.0	13.1	125.0	

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W.R. GRACE & CO. ET AL.

Summary Descriptions of Tasks by Category*

For the period December 1, 2002 through December 31, 2002

<u>Task</u>	<u>Code</u>	<u>Total Hours</u>
Business Analysis	2	26.7
Corporate Finance Data Analysis	3 4	0.0 73.5
Case Administration	8	5.6
Claims Analysis (asbestos) Creditors Committee	9 11	0.0 6.1
Employee Benefits/Pension Fee Applications, Applicant	12 16	0.0 13.1
Total		<u><u>125.0</u></u>

* These descriptions are not intended to be all-inclusive. Please see individual professional time summaries for complete descriptions.

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W.R. GRACE & CO. ET.AL.
 Professional Services Rendered by Edwin N. Ordway, Jr.
 For the period December 1, 2002 through December 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
3-Dec	4	Prepared for conference call with Committee.	0.5
3-Dec	11	Participated in conference call with Committee regarding case status.	0.6
5-Dec	4	Updated assumptions for our hypothetical recovery analysis to consider fraudulent conveyance recoveries.	0.4
19-Dec	16	Prepared fee application.	0.2
24-Dec	4	Read correspondence from counsel regarding fraudulent conveyance data.	0.2
Total Hours			<u>1.9</u>

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W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Sean Cunningham
For the period December 1, 2002 through December 31, 2002

Date	Task Code	Description	Hours
2-Dec	11	Discussed and reviewed Sealed Air, NMC settlements with counsel.	0.4
2-Dec	11	Discussed and reviewed Sealed Air, NMC settlements with Committee chair.	0.7
2-Dec	4	Read and analyzed various public information regarding Sealed Air settlement.	1.4
3-Dec	11	Participated in Committee call regarding the Sealed Air settlement.	0.9
3-Dec	11	Discussed various recovery analysis assumptions with counsel.	2.2
4-Dec	4	Read and analyzed Debtors' motion regarding claims settlements in the Ohio action.	0.7
4-Dec	2	Read and edited draft report to Committee of Q3 operating performance.	2.1
9-Dec	4	Read and analyzed Kellogg settlement motion and draft report to Committee.	2.4
10-Dec	4	Read and edited recovery analysis assumptions regarding Sealed Air settlement.	1.2
13-Dec	4	Read and analyzed Debtors' data regarding Liabilities Subject to Compromise for inclusion in draft recovery analysis.	1.3
17-Dec	4	Prepared assumptions and analysis of various recovery scenarios.	2.7
20-Dec	4	Continued to prepare assumptions and analysis of various recovery scenarios.	1.8
Total Hours			<u>17.8</u>

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W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Christina Whitney
For the period December 1, 2002 through December 31, 2002

Date	Task Code	Description	Hours
3-Dec	4	Read the Debtors' press releases pertaining to the settlement agreements with Fresenius and Sealed Air and summarized key economic terms.	1.8
4-Dec	4	Developed assumptions pertaining to a scenario analysis of the Committee's hypothetical recoveries upon the Debtors' emergence from bankruptcy.	4.1
5-Dec	4	Updated the comparable company valuation multiple analysis, and revised the analysis to expand the list of comparable companies.	1.6
5-Dec	4	Updated the Debtor's five-year EBITDA forecast to reflect the latest estimate of 2002 performance and to incorporate identified risks and opportunities for inclusion in the hypothetical recovery analysis.	2.4
5-Dec	4	Prepared a detailed list of priority and administrative claims and unsecured claims subject to compromise for inclusion in the hypothetical recovery analysis.	2.8
6-Dec	4	Analyzed the Debtors' forecasted cash balances for inclusion in the hypothetical recovery analysis.	5.5
9-Dec	4	Incorporated assumptions and analysis into a financial model to calculate the Committee's hypothetical recoveries under various scenarios.	7.5
10-Dec	4	Drafted a report to the Committee pertaining to the hypothetical recovery analysis.	5.6
31-Dec	4	Continued drafting a report to the Committee pertaining to the hypothetical recovery analysis.	1.7
Total Hours			<u>33.0</u>

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W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Libby Hamilton
For the period December 1, 2002 through December 31, 2002

Date	Task Code	Description	Hours
2-Dec	16	Prepared November fee application.	1.2
2-Dec	4	Read and analyzed news articles regarding Sealed Air fraudulent conveyance settlement.	1.3
2-Dec	4	Finalized report regarding valuation of environmental liabilities.	0.4
3-Dec	11	Participated in conference call with counsel regarding Sealed Air settlement.	0.9
3-Dec	2	Continued to prepare Q3 monitoring report schedules and commentary.	6.3
3-Dec	2	Read and prepared distribution of Debtors' October monthly report to Committee.	1.2
4-Dec	2	Continued to prepare Q3 monitoring report schedules and commentary.	4.9
4-Dec	16	Prepared information regarding December fee hearing.	0.2
4-Dec	2	Continued to read and analyze Debtors' October monthly report.	1.7
5-Dec	2	Updated Q3 monitoring report for edits.	5.2
6-Dec	4	Read and analyzed court filings regarding Blackstone fee arrangements.	1.1
6-Dec	4	Read and analyzed recent news articles regarding Sealed Air fraudulent conveyance settlement.	0.8
9-Dec	2	Finalized Q3 monitoring report schedules and commentary.	4.7
9-Dec	4	Read and summarized recent news articles regarding Sealed Air fraudulent conveyance settlement.	0.8
9-Dec	16	Continued to prepare November fee application.	1.0
10-Dec	16	Continued to prepare November fee application.	1.8
10-Dec	2	Distributed Q3 monitoring report to Committee.	0.6
11-Dec	4	Read and analyzed recent court docket items.	0.6

11-Dec	11	Discussed Q3 monitoring report with counsel.	0.4
13-Dec	4	Read and analyzed Halliburton asbestos trust proposal.	1.1
16-Dec	4	Prepared report concerning Halliburton asbestos trust proposal.	2.2
17-Dec	16	Continued to prepare November fee application.	1.1
17-Dec	4	Read and analyzed recent news articles concerning Halliburton proposal and Sealed Air settlement.	1.2
18-Dec	16	Continued to prepare November fee application.	0.2
20-Dec	4	Continued to read and analyze recent news articles concerning Halliburton proposal and Sealed Air settlement.	1.9
23-Dec	16	Continued to prepare November fee application.	1.1
24-Dec	4	Read and analyzed recent news articles pertaining to asbestos liabilities in other cases including Honeywell and Armstrong.	2.1
Total Hours			<u>46.0</u>

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W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Jeffrey E. Schwendeman
For the period December 1, 2002 through December 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
13-Dec	4	Analyzed news and industry trade reports relating to recent asbestos litigation negotiations for the Debtors and competitors.	0.9
20-Dec	4	Analyzed recent economic releases and impact on heavy construction industry.	1.1
Total Hours			<u>2.0</u>

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W.R.GRACE & CO. ET AL.
 Professional Services Rendered by Matt Hakoun
For the period December 1, 2002 through December 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
4-Dec	4	Assisted in preparation of peer group analysis.	3.4
12-Dec	4	Gathered data on substantive consolidation and distributed to team members.	1.4
13-Dec	4	Summarized recent asbestos news articles and distributed to team members.	1.4
17-Dec	4	Gathered news articles and analyst reports pertaining to asbestos litigation, particularly Halliburton and Sealed Air .	1.6
19-Dec	4	Continued to gather information regarding asbestos litigation and settlements.	1.7
20-Dec	4	Continued to gather information regarding asbestos litigation and settlements.	1.4
20-Dec	16	Read and edited November fee application.	0.9
31-Dec	4	Read and analyzed news articles regarding court decision pertaining to the clean up of vermiculite mining site.	1.5
Total Hours			<u>13.3</u>

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W.R.GRACE & CO. ET AL.
 Professional Services Rendered by Nancy Backer
 For the period December 1, 2002 through December 31, 2002

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
2-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.3
2-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.2
3-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.1
3-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.3
4-Dec	8	Copied and distributed Debtor's October monthly financial report to Committee members.	1.2
4-Dec	8	Filed case documents and entered items into case database.	1.3
4-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
5-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
5-Dec	8	Filed case documents and entered items into case database.	1.0
6-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
9-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
10-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
11-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.2
13-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.1
13-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.1

16-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.1
16-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.5
17-Dec	16	Processed professional time descriptions for inclusion in fee application.	0.5
18-Dec	16	Processed professional time descriptions for inclusion in fee application.	1.3
19-Dec	16	Proofread, edited and processed professional fee application.	1.9
24-Dec	16	Prepared fee application for distribution.	0.4
26-Dec	8	Obtained case docket items from Bankruptcy Court website for case team member.	0.3
26-Dec	8	Downloaded latest court filings. Updated database of latest court dockets filed and distributed to case team member.	0.2
Total Hours			<u>11.0</u>

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W.R. GRACE & CO. ET. AL.
Summary of Expenses by Type of Expense
For the period December 1, 2002 through December 31, 2002

Copies:		
Internal	\$	-
External		-
Telecommunications:		
Telephone		-
Toll Charges		28.44
Facsimile		-
Postage, Federal Express, Airborne		6.25
Travel Expenses:		
Transportation, lodging, tolls and parking		-
Meals		-
Total Expenses	\$	<u>34.69</u>

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W.R. GRACE & CO. ET. AL.
Detail of Expenses by Type of Expense
For the period December 1, 2002 through December 31, 2002

<u>Copies, Internal</u>	0	pages @ \$0.15/page:	\$ -
<u>Facsimile Charges:</u>	0	pages @ \$1.00/page:	\$ -
<u>Telephone Charges:</u>			\$ -
<u>Toll Charges:</u>		Subscriptions and Online research fees	28.44
<u>Postage, Federal Express:</u>	24-Dec	Airborne	6.25
 <u>Transportation, lodging, tolls and parking:</u> <u>Meals:</u>			
<u>Total</u>			<hr/> <u>\$ 34.69</u>